**From**: OneCPD Mailing List [mailto:news@mail.onecpd.info] **Sent**: Monday, March 11, 2013 02:33 PM Eastern Standard Time

**To**: Oliva, Ann M

Subject: Sequestration Impact on Homeless Assistance Grants Programs

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## OneCPD Mailing List

Developing Viable Communities through Housing, Services, & Economic Opportunities

## Sequestration Impact on Homeless Assistance Grants Programs

Dear Continuum of Care Collaborative Applicants, Recipients, and Stakeholders—

As you are likely aware, the President was required by law to issue a sequestration order on March 1 canceling approximately \$85 billion in budgetary resources across the Federal government for the remainder of the Federal fiscal year. As partners with the Department of Housing and Urban Development, you are entitled to timely and clear information about how these budget cuts impact us, and, in turn, what it means for program beneficiaries.

HUD's Emergency Solutions Grants (ESG) and Continuum of Care (CoC) programs, which provide emergency shelter, transitional and permanent housing and important services to homeless and formerly homeless persons will be cut by 5 percent overall as a result of sequestration. However, HUD VASH funding is exempt from sequestration. Secretary Donovan recently testified to Congress that sequestration cuts would result nationally in more than 100,000 homeless and formerly homeless people, including veterans, being removed from their current housing or emergency shelter programs, putting them at substantial risk of returning to the streets. It would likely reverse significant progress made over the last

several years in reducing chronic homelessness and homelessness among our nation's veterans, even with the exemption for HUD VASH.

Recipients of ESG funding will be the first to feel the impact and can expect a five percent reduction from the FY 2013 level for which they are eligible. The exact amount will not be known until Congress has passed and the President has signed a full-year FY 2013 appropriation for HUD. CoCs and CoC Program recipients will be impacted via the FY 2013 CoC Program Competition that will begin later this year.

Sequestration will not impact the **FY 2012** CoC Program awards since that funding was already appropriated. HUD will be announcing the FY 2012 Tier 1 renewal awards in the coming weeks so that local HUD field offices can begin the process of executing grant agreements for projects awarded funding in the FY 2012 CoC Program Competition. Awards will be announced in accordance with the requirements of the FY 2012 CoC Program Notice of Funding Availability.

In the next week I will be sending another message out, as I do each year, with updates on a few key items as well as some recommendations for communities around how to maintain progress on ending homelessness.

As always, thank you for your continued partnership with HUD, and for your cooperation as we work together to manage through these circumstances.

Sincerely, Ann

Ann Marie Oliva Director, Office of Special Needs Assistance Programs U.S. Department of Housing and Urban Development









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